

PORT OF SOUTH WHIDBEY  
Island County, Washington  
January 1, 1995 Through December 31, 1995

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Schedule Of Findings

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1. The Port Should Improve Controls Over Cash Receipts

During our audit of the Port of South Whidbey's cash receipts we found the following weaknesses with internal control.

- a. Port officials do not issue prenumbered receipts for money received from local sources. Also, one person is responsible for receiving money and preparing the bank deposit.

We recommend port officials use prenumbered receipts, printed with the port's name to record all port revenues. Each receipt should indicate mode of payment (i.e., cash or check).

We also recommend a port official, independent of the person receiving the money, review the bank deposit to ensure it agrees with receipts in total, and by mode of payment. This will help ensure all port moneys are deposited with the bank intact.

- b. One port official collects money from parking lot customers, deposits cash in the bank, and submits checks to the port clerk without any oversight by another port official. Checks are deposited with the port clerk monthly.

We recommended port officials improve controls for collecting parking lot revenues in our prior audit Report No. 57338. Port officials chose not to change the procedures for collecting parking fees because they planned to lease the operation in the future. Controls remained unchanged until June 1996, when the port leased the parking lot to a private entity.

State law requires the port properly account for financial activity in RCW 43.09.200 which states in part:

The accounts shall show the receipt, use, and disposition of all public property, and the income, if any, derived therefrom; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction.

The conditions described above prevented us from giving assurance that revenue shown on the port's financial statements is complete.

We recommend that port officials take action to correct the remaining weaknesses and strengthen internal controls.